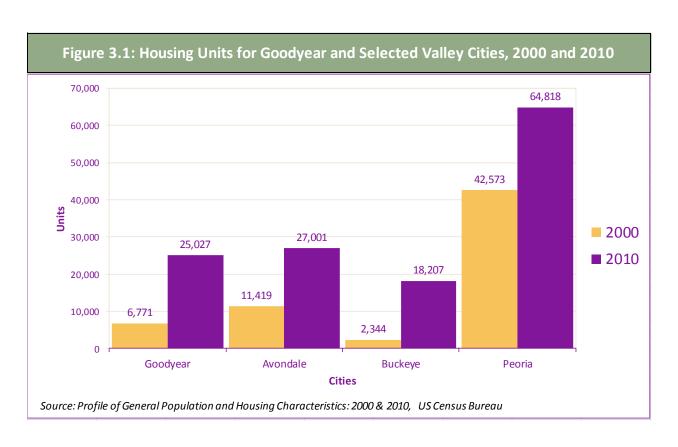
- 3.1 Current Conditions
 - 3.1.1 Rental Units
 - 3.1.2 Rental Vacancy Rate
 - 3.1.3 Housing Units (Owned)
 - 3.1.4 Housing Vacancy Rate
 - 3.1.5 Occupancy Rates
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3.1 Current Conditions

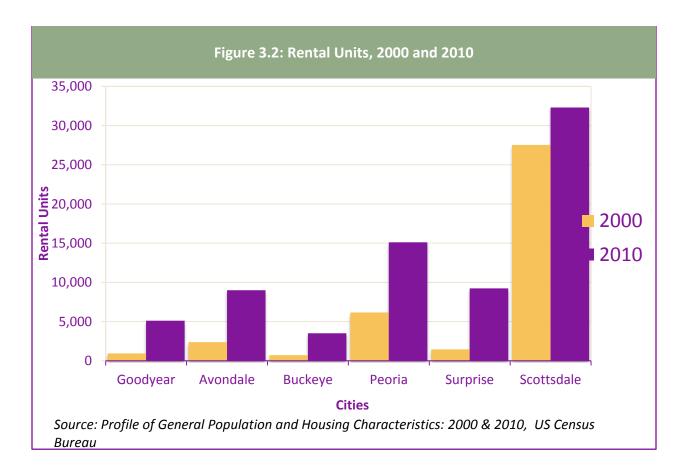
The Housing Element provides a snapshot of the current state of Goodyear's housing market and housing stock. The main topics covered in this section include the quantity and condition of the City's housing stock, occupancy rates, vacancy rates, building permits, affordability, housing resale values, foreclosures, and other housing related issues. This section ends with a brief discussion on key opportunities and challenges Goodyear will likely encounter as it continues to grow. Information presented in this section is derived from the most recent data available from the 2010 US Census, the American Community Survey, Maricopa Association of Governments (MAG), and Arizona State University's Realty Studies Department.

Over the course of the last decade, Goodyear housing units increased from 6,771 to 25,027 units (see Figure 3.1). This represents a 270 percent increase over the past decade and is unmatched by most Valley cities.



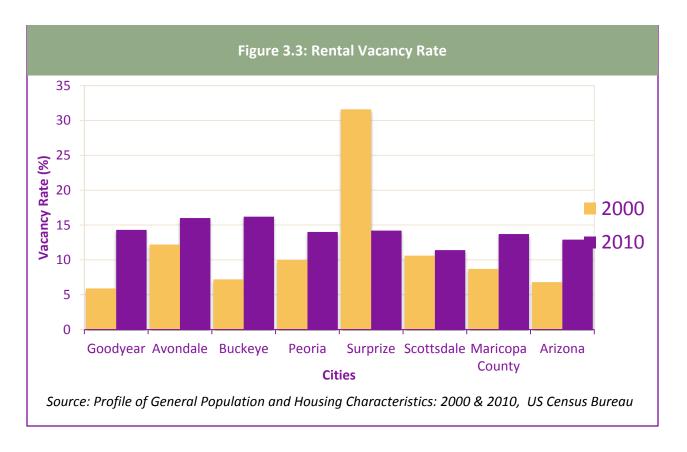
3.1.1 Rental Units

In 2000, Goodyear renter-occupied housing units totaled only 943 units (see Figure 3.2). Barring Buckeye, this represented the lowest amount of rental units among the West Valley cities examined. However, throughout the last decade Goodyear experienced a 443 percent increase in renter occupied housing units totaling 5,117 by 2010. As shown in the graph below, Goodyear outpaced its valley peers in renter-occupied housing units. The sole exception is Surprise, which experienced a 532 percent in renter-occupied housing units.



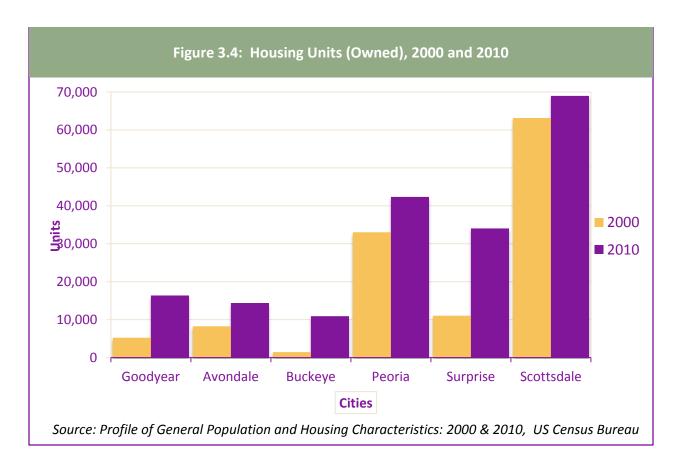
3.1.2 Rental Vacancy Rate

In 2010, Goodyear's rental vacancy rate of 14.3 percent was one of the highest among the cities used for comparison. In contrast, Goodyear had the lowest rental vacancy rate of the cities compared in 2000. This may be reflective of the small amount of rental units overall in Goodyear during that time.



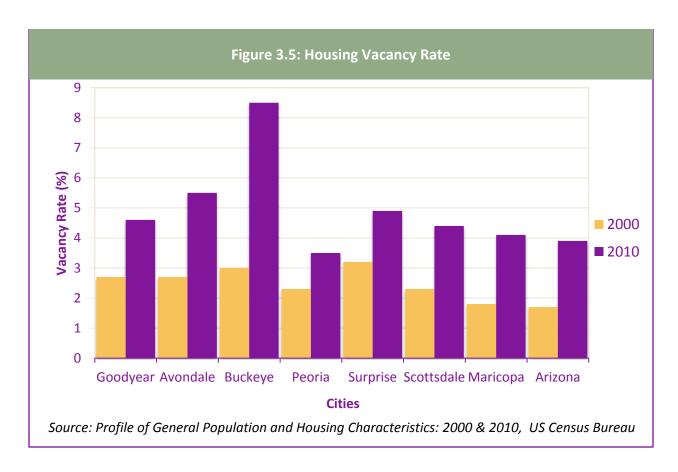
3.1.3 Housing Units (Owned)

Goodyear had 5,236 owner-occupied housing units in 2000, and by 2010 it had 16,374, a percent increase of 213 (see Figure 3.4). Goodyear's percent increase over the past decade was much higher than the County's (19 percent), State's (22 percent), and other West Valley cities which experienced much smaller percent increases. Buckeye is the outlier in that it achieved a 532 percent increased in owner-occupied housing units.



3.1.4 Housing Vacancy Rate

In 2000, Goodyear had a housing vacancy rate of 2.7 percent. This was in line with many other Valley municipalities, but higher than that of Maricopa County (1.8 percent) and Arizona (1.7 percent). In 2010, Goodyear's housing vacancy rate expanded to 4.6 percent as illustrated in the graph below. It should be noted that the State and County owner-occupied vacancy rates have also increased substantially, revealing a general widespread trend of increasing owner-occupied vacancy rates. However, some Valley cities such as Surprise, Avondale, and Buckeye had higher owner-occupied vacancy rates than Goodyear in 2010 with 4.9, 5.9, and 8.5 percent respectively.



3.1.5 Occupancy Rates

In 2000, 91 percent of Goodyear's total housing units were occupied. By 2010, this figure decreased to 86 percent. This decrease in occupancy of about 5 percent for Goodyear was higher than the decrease of fellow cities including Peoria, Scottsdale, and Surprise. An occupancy rate between 80 percent and 85 percent was typical for the cities examined alongside Goodyear, as well as for the County and State for 2010. Peoria had the highest rate of occupancy at 89 percent, and Buckeye¹ had the lowest at 79 percent.

¹ For the first half of the decade, Buckeye's single family permits were surprisingly low as reported by the Census. The Town of Buckeye provides data on the subject only for the years 2006 through 2010. Thus, Buckeye received a null value for the years 2000 through 2005 since no reputable data was available.

Table 3.1: Occupancy Status

	Goodyear	Avondale	Buckeye	Peoria	МС	AZ
Total	25,027	27,001	18,207	64,818	1.64M	2.84M
Housing Units	100%	100%	100%	100%	100%	100%
Owner	16,37	14,382	10,905	42,346	910K	1,570K
Occupied	65.43%	53.26%	59.89%	65.33%	55.53%	55.25%
Renter	5,117	9,004	3,519	15,111	500K	800K
Occupied	20.45%	33.35%	19.33%	23.31%	30.58%	28.46%
Vacant	3356	3,615	3,783	7,361	227K	464K
Units	14.10%	13.40%	20.80%	11.40%	13.90%	16.30%

Source: Profile of General Population and Housing Characteristics: 2010, US Census Bureau

3.1.6 Distressed Properties and Foreclosures

In September 2009, distressed and bank-owned properties in Goodyear represented 2.4 and 2.4 percent of total distressed and bank-owned properties in Maricopa County. By the same time in 2011, Goodyear's share of distressed properties countywide had dropped slightly to 2.1 percent, and bank-owned to 1.9. Since March 2010, the combined number of bank-owned and distressed properties in Goodyear dropped by an average of 9 percent every three months. During this same two-year time period, the combined number of bank-owned and distressed properties county wide had fallen 9.4 percent quarterly. This reduction of distressed and bank-owned properties was commensurate with data for Maricopa County.

Additionally, the number of home foreclosures in Goodyear dropped by almost 25 percent from 2009 to 2011, during that same two-year timeframe; the number of foreclosed homes in Maricopa County only declined by about 14 percent.

Table 3.2: Distress Properties 2009-2011 by City and County

	Goodyear			Maricopa County			
Month	Bank-Owned	Distressed % Chang		Bank-Owned	Distressed	% Change	
September 2009	327	1,500		13,572	60,641		
March 2010	352	1,487	-0.9%	16,428	63,182	4.2%	
June 2010	381	1,325	-10.9%	16,976	57,180	-9.5%	
September 2010	403	1,304	-1.6%	20,102	59,149	3.4%	
December 2010	397	1,300	-0.3%	18,583	57,731	-2.4%	
March 2011	393	1,169	-10.1%	18,781	52,082	-9.8%	
June 2011	347	912	-22.0%	16,053	40,959	-21.4%	
September 2011	241	752	-17.5%	12,288	34,705	-15.3%	

Sources: MAG, Information Market, U.S. Census Bureau, City of Goodyear

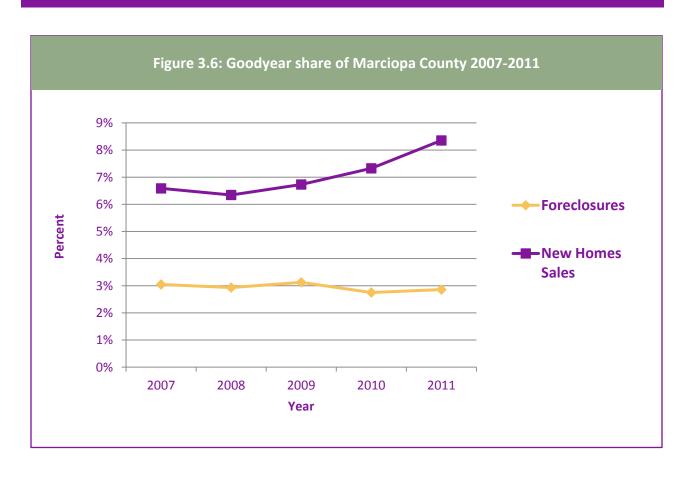
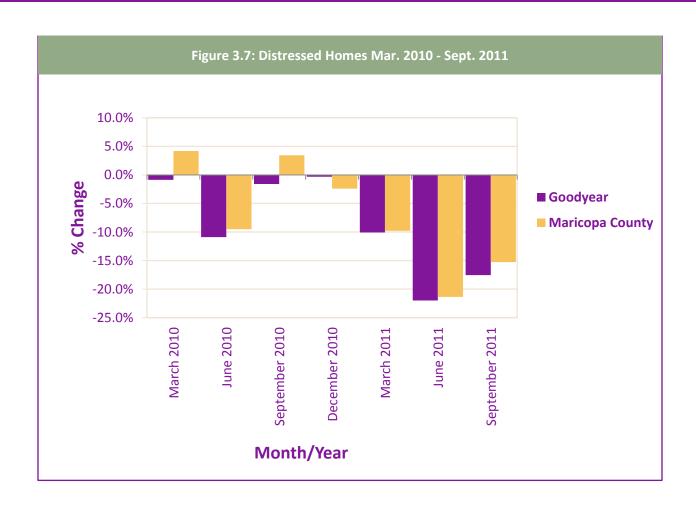


Table 3.3: Number and Median price of foreclosed homes in 2007-2011

	Goodyear		Buckeye		Avondale		Peoria		Maricopa	
Year	Numbers	Price \$	Numbers	Price \$	Numbers	Price \$	Numbers	Price \$	Numbers	Price \$
2007	260	223,180	265	195300	370	215845	405	244,860	8,535	218,080
2008	1,025	185,525	1,210	159,520	1,600	164,245	1,535	200,000	34,955	169,915
2009	1,280	162,800	1,660	128,340	1,605	119,000	1,855	173,700	40,970	148,755
2010	1,145	155,685	1,525	136,225	1,370	127,270	2,155	163,730	41,625	150,000
2011	1,025	151,385	1,240	118,360	1,090	108,900	1,845	146,920	35,855	131,100

Source: ASU Realty Studies, Sales Activity



3.2 Single family Building Permits

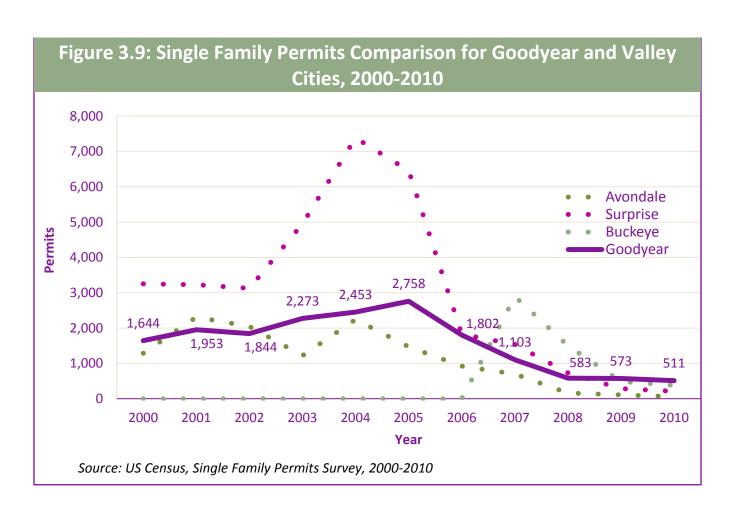
Goodyear experienced steady growth in single family permits from the years 2000 to 2005. In 2000, the City of Goodyear issued 1,644 permits and peaked in 2005 with 2,758 total permits issued (see Figure 3.8). This is comparable to most West Valley cities examined as well as for the County and State. However, from 2005 to 2006, Goodyear, like its fellow West Valley cities of Buckeye, Avondale, Peoria, and Surprise, experienced a decrease in building permits. The trend also occurred for the Maricopa County and Arizona. This is likely a result of the current economic recession.



3.2.1 Permit Comparison

In 2003, the City of Goodyear experienced its highest annual percentage increase in single family permits issued at 23.3 percent. During this period, the City of Goodyear like many other municipalities nationwide was enjoying a robust real estate boom. Permits, along with real estate values, continued to climb upwards until the height of the boom in

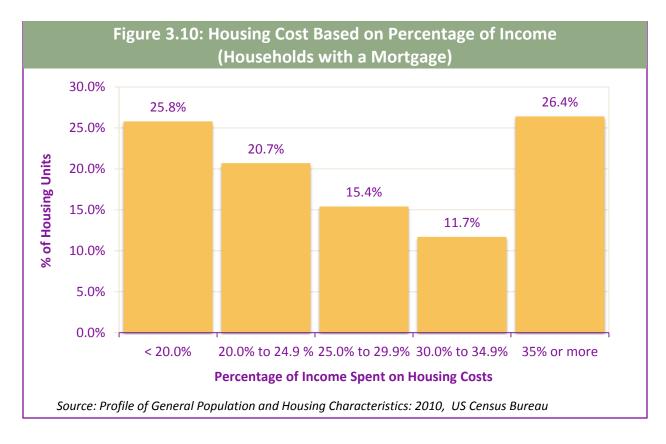
2006. Between the years of 2006 and 2007, the City of Goodyear experienced a whopping 38.8 percent decrease in single-family permits. This represents a sharp plummet of almost 700 total permits issued in 2007 compared to 2006. Since 2006, single family permits have continued to decline for Goodyear as well as for much of Maricopa County and Arizona. As of 2008, however, it appears as though the drop in single family permits may have begun to plateau with 584 permits issued in 2008. This was just 10 less permits than that issued for 2009. For 2010, Goodyear issued a total of 511single-family permit and 594 permits in 2011. Despite the recession and its harsh effects on the Phoenix metropolitan area, Goodyear continues to receive at least 500 single family building permits per year. This finding suggests that Goodyear did not fall as far as its Valley peers and perhaps, may even experience an increase in single-family permits.

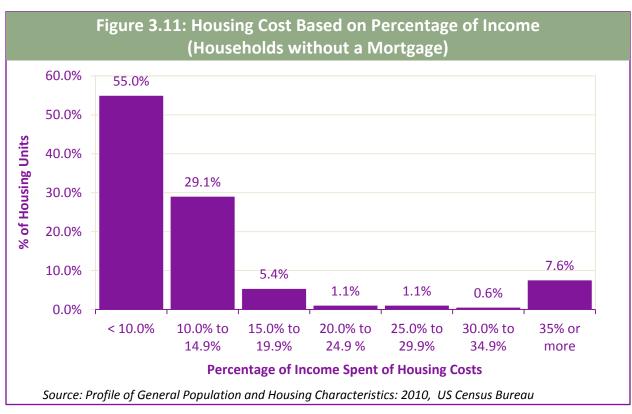


3.3 Household Costs as Percentage of Income

The majority, 61.9 percent, of Goodyear households with mortgages spend less than 30 percent of their income on housing costs (see Figure 3.10). However, a relatively large minority, 38.1 percent, of Goodyear households are cost burden, spending 30 percent or more of their income on household costs. Cost burden is defined by the Brooke Amendment of 1981 to United States National Housing Act of 1937. Under this amendment, households spending 30 percent of their income on housing expenses including rent or mortgage (including principle, interest, taxes, and insurance – if applicable), utilities, and other related housing expenses are considered cost burden². Households spending 50 percent or more on housing are considered severely burdened. The vast majority (93.4 percent) of households without mortgages as shown in Figure 3.9 contribute less than 30 percent of their total income on housing while only 7.6 percent of households are cost burdened.

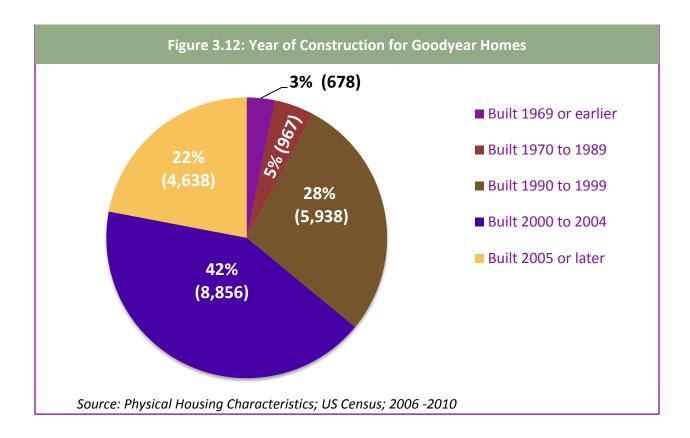
Schwartz, Mary and Wilson, Ellen. Who Can Afford To Live in a Home?:
A look at data from the 2006 American Community Survey. American Community Survey. 2006.





3.4 Age and Composition of Housing

Goodyear's housing stock is primarily composed of newer dwelling units built in 2000 or later as the Figure below demonstrates. In fact, only 8 percent of Goodyear's housing was constructed before 1989.



The majority (41.8 percent) of housing units in Goodyear have three bedrooms. This is a much higher percentage compared to many other Phoenix metropolitan cities as well as to Maricopa County and the State of Arizona. Larger homes with four-plus bedrooms comprise more than a third (34.6 percent) of Goodyear's houses, which is higher than Surprise (27.2 percent), Peoria (30.6 percent), Tempe (18.9 percent), and Scottsdale (24.5 percent) (see Table 3.5. Maricopa County has 23.9 percent of its houses with four bedrooms or more, which is slightly above the State's 20.6 percent.

At the other end of the spectrum, housing with one bedroom to two bedrooms account for only 23.1 percent of Goodyear's total housing. This is well below the percentage of one to two bedrooms found in many other cities in the Phoenix metropolitan

area. For example, one to two bedrooms account for 30 percent of Peoria's total housing units, about 33 percent for Surprise, and an astonishingly unexpected 41.6 percent for Scottsdale. In Tempe, one to two bedrooms makeup nearly half of the City's total housing units. This is a higher percentage than both Maricopa County (39.4 percent) and the State of Arizona (40.1 percent); however this could be due to university housing and various apartment units needed to accommodate the 59, 794 students that attend Arizona State University, Tempe Campus. (See Table 3.4.)

Table 3.4: Percent of Total Housing	g with 1 or 2 Bedrooms, 2006-2010
City Name	Percentage

City Name	Percentage					
1 or 2 bedrooms						
Buckeye	17.9%					
Avondale	19.0%					
Goodyear	23.1%					
Peoria	29.6%					
Surprise	33.2%					
Arizona	40.1%					
Scottsdale	41.6%					
Tempe	49.8%					
Maricopa County	39.4%					

Source: Physical Housing Characteristic; US Census: 2006-2010

Table 3.5: Percent of Total Housing with four or more Bedrooms, 2006-2010

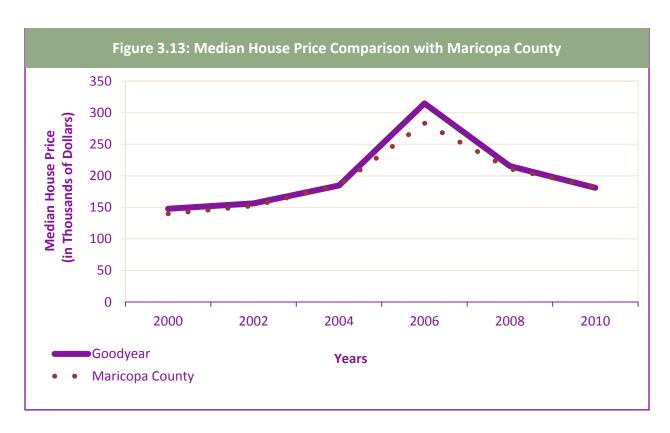
City Name	Percentage						
4 or more bedrooms							
Tempe	18.9%						
Arizona	20.6%						
Scottsdale	24.5%						
Surprise	27.2%						
Peoria	30.6%						
Avondale	34.3%						
Goodyear	34.6%						
Buckeye	45.3%						
Maricopa County	23.9%						

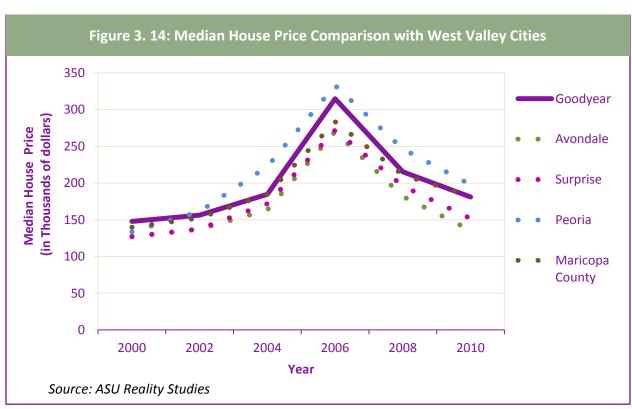
Source: Physical Housing Characteristics; US Census; 2006 -2010

3.5 House Price

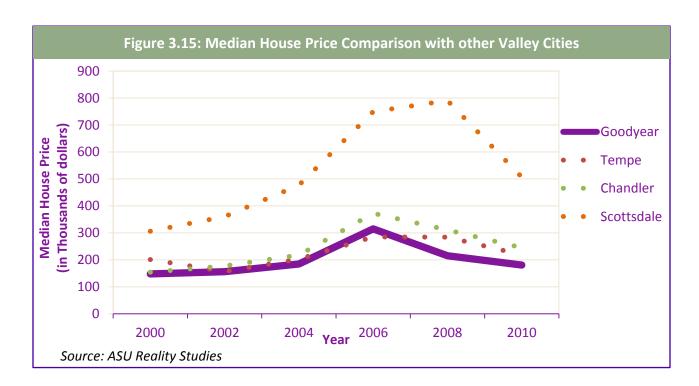
Housing prices have shifted dramatically in the last decade. Home prices peaked for Goodyear and Maricopa County (see Figure 3.13) in 2006, with Goodyear's prices peaking higher than the County's. Throughout the rest of the decade, the County and Goodyear's home prices were virtually the same. Most recent data from 2010 shows that average home sales in Goodyear were \$180,948. This is about \$1,200 higher than the County's average sales price of \$182,180.

Goodyear's housing market has followed virtually the same trend in home sale prices as other West Valley cities (see Figure 3.14). While Peoria peaked higher than Goodyear in 2006, Goodyear has generally maintained higher home sale prices than Avondale and Surprise.





When compared to other Valley cities such as Tempe, Chandler, and Scottsdale, Goodyear had a lower median house price in 2010. Early in the past decade, Tempe, Chandler, and Goodyear had comparable home sale prices. But by mid-decade, Chandler's prices rose more than Goodyear's, and Scottsdale has had home prices well above these other cities. The largest gap in sale prices exists between Scottsdale and Goodyear, as Figure 3.15 demonstrates.



3.6 Affordability

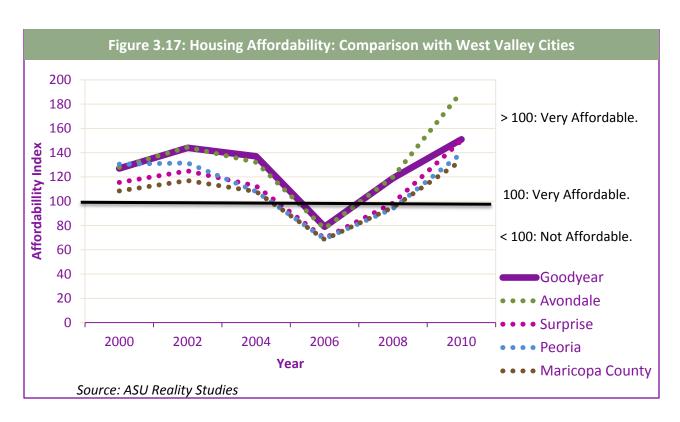
The following figures measure Goodyear's affordability and compares it other Valley cities. The Realty Studies Department at Arizona State University has devised a affordability index in which perfect affordability is defined at 100. Readings below 100 means that housing is "less affordable," while readings above 100 are considered "more affordable." These measurements are devised by taking a city's average income and comparing it to home values in that city. For much of the past decade, Goodyear received ratings above 100 and therefore, was and is considered one of the more affordable Valley Cities (see Figure 3.15. Compared to the County, Goodyear was more affordable throughout the entire decade. In 2006, neither the County nor the City of Goodyear were

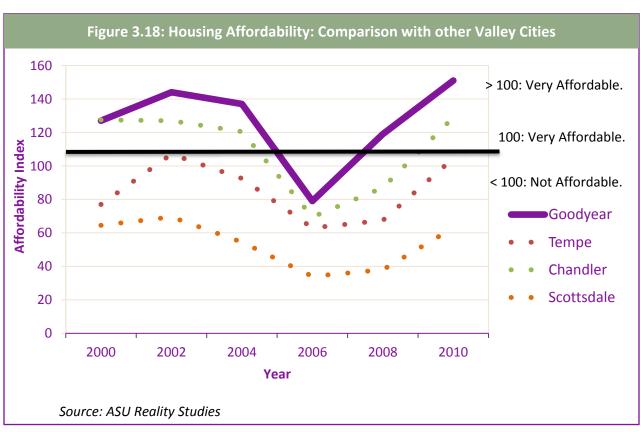
considered affordable. Most recent data from 2010 shows Goodyear is very affordable, even more so than Maricopa County.



Compared to West Valley cities such as Avondale, Surprise and Peoria, Goodyear is very affordable, although as of 2010, Avondale is even more affordable (see Figure 3.17. As with the County, none of these cities were considered affordable during the height of the housing market in 2006.

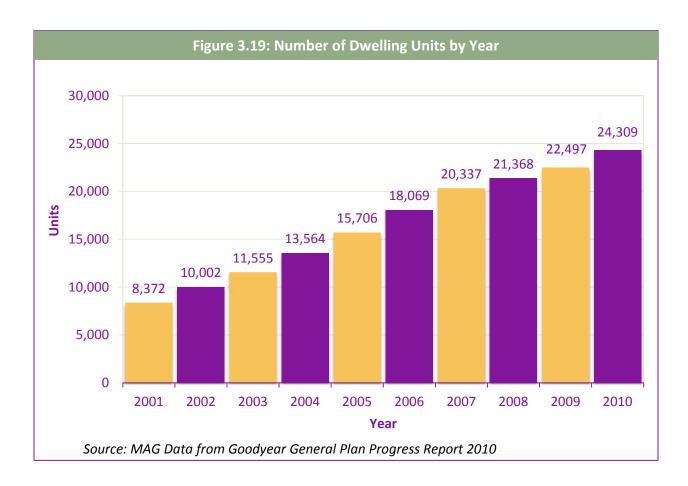
When Goodyear is compared to Valley cities such as Tempe, Chandler and Scottsdale, Goodyear's affordability in recent years is even more pronounced (see Figure 3.18. Throughout the decade, Tempe and Scottsdale were not considered affordable, with Tempe only recently crossing the threshold of affordability in 2010. Chandler has recently been considered affordable as of 2010. However, Goodyear remains by far the most affordable of the four cities. Scottsdale deviates from most Valley cities in that it has not been affordable thoughout the last decade and continues to be unaffordable.





3.7 Demand for New Homes

MAG indicates that Goodyear will face a high demand for new homes in the future. MAG projects that by 2035, the population of Goodyear will be about 350,000. This reveals an average annual population growth of 7.0 percent from 1950 to the present. As Figure 3.19 shows, Goodyear's estimated amount of available dwelling units for 2010 was 24,309. MAG predicts the number of total housing units needed by 2030 will be 118,418 (see Table 3.6. Based on the 2010 dwelling estimate and the estimated housing needs for municipal areas, the average housing demand between 2010 and 2030 is estimated to be about 4,705 per year ((118,418 – 24,309) / 20).



The current availability of new homes that are within Goodyear is sufficient to accommodate the existing population. However, the City should have a plan in place to promote construction of high quality new homes for the projected increase in population.

Attractive residential new homes for the move-up market should be given high priority for community economic growth. Job creation and economic development depend on improvement to the City of Goodyear's housing stock. The Goodyear General Plan states that its target jobs to housing creation is between 0.67 and 0.89, the current job to housing ratio is 0.70. In order to maintain this ratio the City may need to create more jobs to help the projected population to be able to purchase these homes.

Table 3.6: Housing Unit Projections							
MPA 2005 2010 2020 2030							
City of Goodyear	16,517	26,119	66,454	118,418			
Source: MAG July 1, 2005 and Projections July 1, 2010 to July 1, 2030							

High quality new homes are imperative to successful growth for the City, but the challenge remains to find affordable builders and qualified buyers. Consumer complaints about builders have gone up by more than 50 percent in the past five years, according to the Better Business Bureau. Also, with the weak economy, there is only a small pool of qualified buyers to support the proposed housing market. Currently, there are too few jobs and job growth might not match the demand for new homes.

In addition, the relatively high affordability of Goodyear is a positive economic indicator in that it signifies residents have greater disposable income. While this can help attract businesses to relocate to Goodyear, the lack of smaller one to two bedroom housing units would likely present a challenge for Goodyear in providing an adequate amount of suitable workforce housing.

3.8 Renovation and Revitalization of Old Homes.

There are pockets of homes with visual and/or structural deficiencies throughout Goodyear. According to the American Community Survey, 36 percent of the existing housing units built in 1990 or earlier will soon require substantial improvement. As defined in 44 Code of Federal Regulations 59.1, substantial improvements means any reconstruction, rehabilitation, addition, or other improvement of the structure including

single family residential buildings, the cost of which equals or exceeds 50 percent of the market value of the structure before the start of the improvement.

A substantially improved structure must be brought into compliance with the National Flood Insurance Program regulations and other local ordinances. Currently, the National Flood Insurance Program requires any proposed improvement with a total cost that exceeds fifty percent of the current market value of the home, to elevate its lowest habitable finished floor to or above the existing grade, or above the established Base Flood Elevation (BFE). The BFE is the regulatory requirement for the elevation or flood-proofing of structures. The relationship between the BFE and a structure's elevation determines the flood insurance premium.

At the moment, the threat of having too many abandoned or deteriorating homes is not significant. However, in the years to come, the existing 8 percent of the older homes constructed prior to 1990 will likely require substantial improvements. With these current regulations, many home owners of older homes may find it difficult to renovate their homes, and be stuck with choosing from two unfortunate options: live in their deteriorating home unable to perform the necessary repairs, or to abandon their home altogether.

Table 3.7: Year of Homes Built in Goodyear							
Year Structure Built	Estimate Count	Percent	Margin of Error	% Margin of Error			
Total Housing Units	21077	100.0%	+/-623	(X)			
Built 2005 or later	4638	22.0%	+/-524	+/-2.4			
Built 2000 to 2004	8856	42.0%	+/-676	+/-2.6			
Built 1990 to 1999	5938	28.2%	+/-364	+/-1.9			
Built 1980 to 1989	576	2.7%	+/-207	+/-1.0			
Built 1970 to 1979	391	1.9%	+/-145	+/-0.7			
Built 1960 to 1969	295	1.4%	+/-109	+/-0.5			
Built 1950 to 1959	203	1.0%	+/-64	+/-0.3			
Built 1940 to 1949	155	0.7%	+/-72	+/-0.3			
Built 1939 or earlier	25	0.1%	+/-30	+/-0.1			

Source: US Census Bureau 92006-2010 American Community Survey 5- Year

Existing Conditions Report

3.9 Historic Preservation

The intent of Historic Preservation is to promote the educational, cultural, economic and general welfare of the community. The City of Goodyear can ensure the harmonious growth and development of its community by encouraging the preservation and rehabilitation of historic districts.

With the availability of Geographic Information Systems software (GIS), the City may want to consider developing historic and neighborhood maps that will include all the historic preservation districts. These maps would help local community and general developers determine whether the properties under consideration are located within or outside the historic preservation districts.

The challenge lies within this process includes proper establishment of the City's historic building inventory. The City of Goodyear Municipal Code has regulations set forth to protect properties that possible qualify for the City's Historic Preservation Program, but the City is lacking a good control inventory of its potentially valuable historic buildings.

3.9.1 Character of Goodyear

Despite the fact that the City of Goodyear is one of the fastest growing cities in the Valley, the City still maintains its uniqueness and culture and offers a high quality of life. The City is nestled in the shadows of the Sierra Estrella Mountains, providing great scenic views and attracting many visitors and new residents. With the desert vistas, wide open spaces, golf courses, lakes, parks, and palm-lined streets, Goodyear has already attracted over 64,600 residents and averages 16 percent growth per year. Also, with over 320 sunny days, the community assures an active lifestyle year-round. In addition, the existing airport, rail service, and location on I-10 between the loop 101 and 303 makes the City very attractive to major employers.

The future of the City of Goodyear looks very promising. In order to maintain the special heritage of the City's culture, it will be critical to anticipate some challenges. Due to the high quality of life that the city affords to its residents, Goodyear should expect and prepare for steady, continued growth.

Sources:

Existing Plans, Policies Chapter 6, Goodyear General Plan 2006